



## Region Legal Service Office, Mid Atlantic Legal Assistance Department

### Auto Purchasing II: Avoiding Auto Fraud

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- 1. Fraud happens:** Fraud is the intentional misrepresentation of facts relevant to your decision to purchase. It's a lie designed to convince you to buy. Because of the huge disparity in experience, practice, knowledge, and information between most dealerships' personnel and the consuming public, fraud regularly occurs. Remember, the auto sales person is a professional negotiator. For many businesses, getting caught is just a cost of doing business, but for the consumer, it can ruin credit and cause the loss of security clearances. Bring a friend, family member, or co-worker with you anytime you go to a dealership so that you have a witness if fraud happens. Ask specific questions such as whether the vehicle has been in accidents, floods, or has mechanical issues. The more specific the question, the easier fraud is to prove if the sales person's response is a lie.
- 2. Write down what happened:** Memories change over time and information is forgotten. The first task if fraud is suspected is to write down a narrative chronology starting with why the consumer went to that particular dealer and include all conversations with the dealer and what information the consumer used in each decision made throughout the process. Try to capture as much detail as possible and make sure to get the names, phone numbers, and contact information for all parties.
- 3. Obtain and preserve all documents:** Motor vehicle transactions include many different documents. The documents should be kept in a safe place—NOT in the vehicle. A clean copy of the front and back of each document should be made from the originals. Also, the originals should be separated in envelopes or folders to keep track of when they were obtained and from whom. This will allow the written sequence of events to be easily aligned with the documents.
- 4. Written request for remedy:** If you believe fraud occurred, submit a written request to the dealer or finance company to try to resolve the situation. Whether prepared by the consumer or a legal assistance attorney, this request should summarize the story of what happened and include—as attachments—copies of documents that prove what happened. It should request a remedy and detail exactly what reasonable steps should be taken. Even if this letter does not resolve the issue, these letters can serve as evidence—if the dealer or financial company commits fraud again—to prove that the wrongdoer was put on notice of the exact problem, given a reasonable solution, and chose not to resolve it.
- 5. Document the response to the request for remedy:** If a written response to the request for remedy is not received, another letter should be sent that includes the first letter as an attachment. The letter should also include a statement referencing the first letter and explaining that no response has been received. If an oral response was received, then this letter should also summarize the substance of that oral response.
- 6. If the letter does not result in a resolution of the problem, then consult a lawyer:** Take all the documents and the written order of events to a lawyer for assistance. Legal Assistance offices can help.
- 7. File complaints with State and Federal Consumer Agencies:** File complaints with copies of the documents and the narrative with the Federal Trade Commission and the Consumer Financial Protection Bureau.

This handout is for information purposes only and is not intended to be legal advice. If you need legal advice and assistance you may see legal advice from your Legal Assistance Office. Legal Assistance Offices can be located at <http://legalassistance.law.af.mil/content/locator.php>